

Utah Special Education Law Conference 2013

# Special Education Finance

# Agenda

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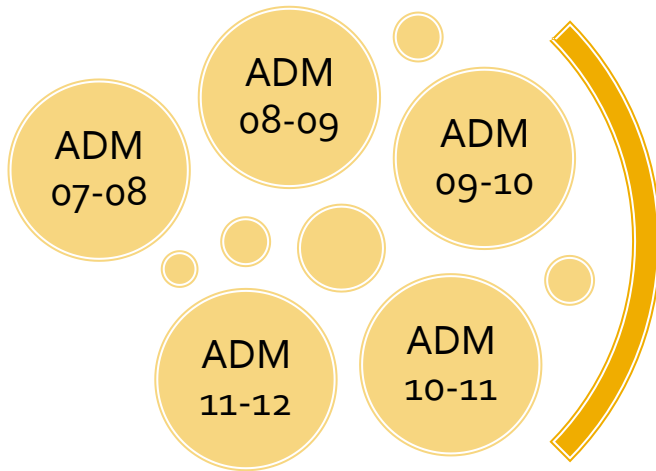
- Funding Formulas
- Allowability
- Maintenance of Effort
- Excess Costs
- Fiscal Monitoring Process

# Funding Formulas

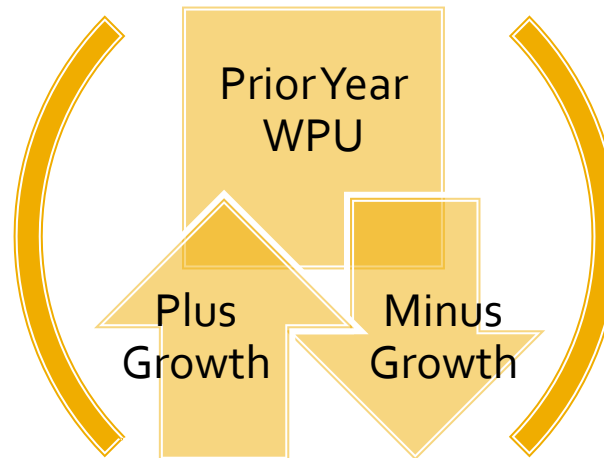
# Funding Formulas

- Add-On
- Self-Contained
- Preschool
- Extended Year
- State Programs
- IDEA Section 611 (Age 3-21)
- IDEA Section 619 (Age 3-5)

# Add-On



Foundation

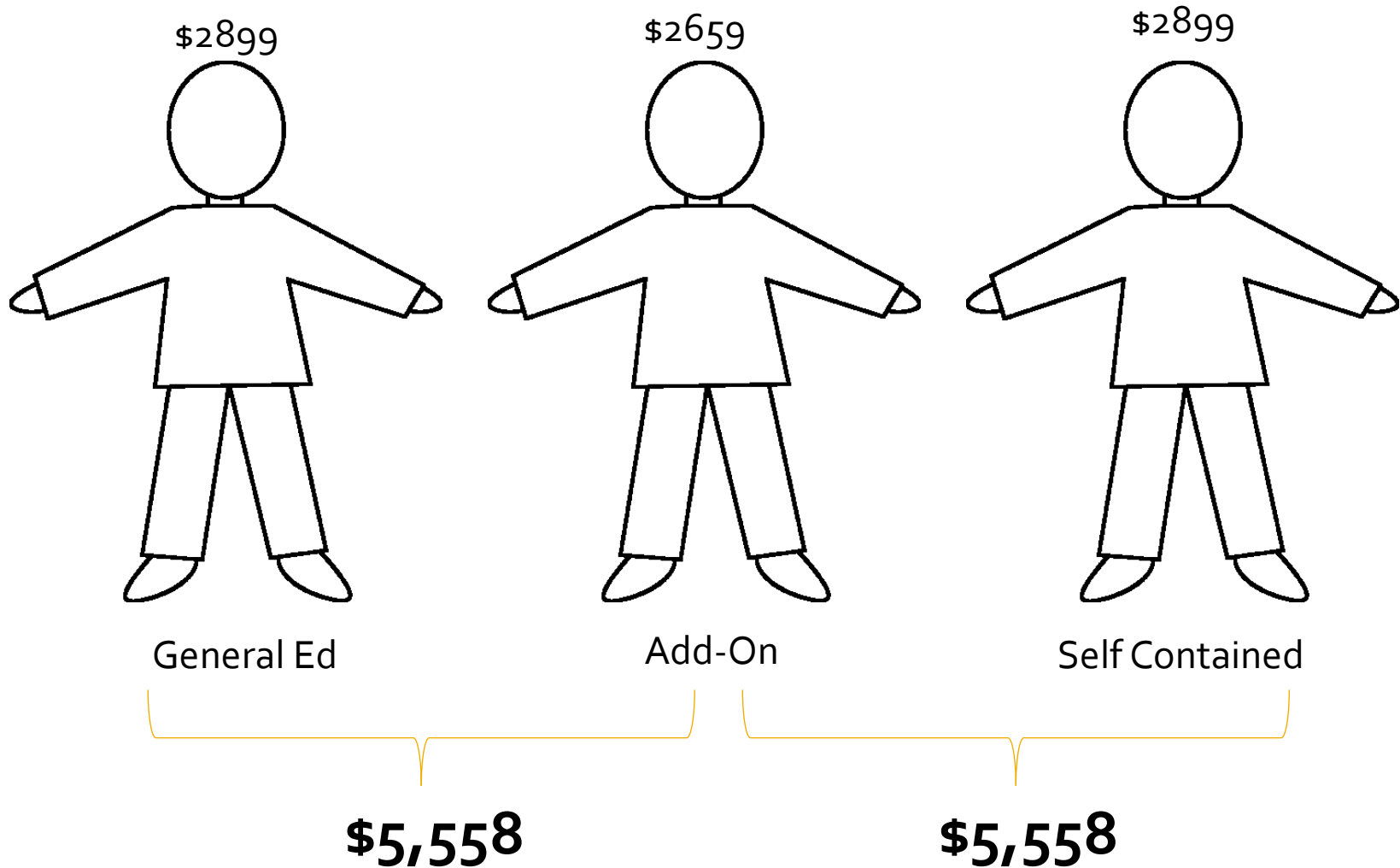


Adjusted Base



Total

# Add-On vs Self-Contained



# Preschool

- SCRAM of preschool students Dec 1
- Calculate Growth
  - $(2012 - 2011) / 2011$
- Growth limited to 8%
  - $2012 * 1.08$
- Adjusted growth \* 1.47 = WPU
- Prorated to allocation if necessary



Districts  
Only

# Extended Year

- Base to all LEAs
- If ESY provided and reported ... BASE +
  - October 1 enrollment
  - Distributed by % of state total
- Prorated to allocation if necessary



# State Programs

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- Impact Aid
  - SCRAM Dec 1, 2012 total SWD
  - Distributed by % of state total
- Incarcerated Students
- High Cost Risk Pool
- Extended Year for Special Educator Stipends

# Calculating IDEA Funds

- Base
  - Allocated by % of total
  - Each LEA portion decreases as new LEAs join
- Population
  - October 1 2012 total enrollment
  - Private School enrollment
  - Allocated by % of total
- Poverty
  - October 1 2012 “economic disadvantage”
  - Allocated by % of total

# Allowability

# Restricted Use of Funds

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- State MSP and Federal IDEA
- Education of students with disabilities
- Program compliance required
- Discretionary (grant subaward)

# Coordinated Early Intervening Services

- May set aside up to 15% of IDEA funds to provide
- Emphasize K-3
- May not be used in preschool
- Implementation plan required in fall (with UCA application)
- Implementation report required in fall for 2 years following plan

# Allowable Costs

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- Clear and reasonable necessary cost
- Incurred solely for special education program
- Follows general procurement
- Inventory assigned to special education program
- Cannot be shifted to other programs
- Supporting documentation is available

# District Time & Effort

- Full assignment to one program
  - Payroll certification every 6 months
  - Signed by employee
  - Signed by immediate supervisor
- Assignment to multiple programs
  - Payroll certification every month
  - Detailed time assigned per program
  - Signed by employee
  - Signed by immediate supervisor

# Charter Personnel Activity Report

- All employees paid in part or full by federal funds
- Must be after-the-fact
  - a report of actual time worked, not just an estimate or percentage
- Account for the total activity of the employee
  - you must show the full work of the employee, even if part of their salary is paid by state or other funds
- Must be signed by the employee or direct supervisor
- Must be prepared at least monthly



# Allowable Cost Checklist

- State Rules pg 201

<http://schools.utah.gov/sars/DOCS/law/finalrules-rev.aspx>

- FiCAM Manual pg 77

[http://schools.utah.gov/sars/DOCS/finance/ficam\\_9-15-11.aspx](http://schools.utah.gov/sars/DOCS/finance/ficam_9-15-11.aspx)

# Maintenance of Effort

# MOE Calculation

- Calculated by USOE based on APR
- Special Education tab
  - Regular District Programs, subtotal
  - Preschool (State), subtotal
  - Extended Year Special Educators, subtotal
- Total local revenue
- Exclude Medicaid

	A	B	C	D	E	F	G	H	I	J
1	PROGRAM REPORT									
2	School Year 2010-2011			TOTALS	REGULAR DISTRICT PROGRAMS	IDEA - B DISABLED 101-476	IDEA - D DISABLED PERS. TRNG.	PRE-SCHOOL (STATE)	PRE-SCHOOL (FEDERAL)	Extended Year Special Educators
3										
4	SPECIAL EDUCATION (B)			SCHEDULE B	1200-1295	7524	7526	1215	7422	* _ _ _ _
5	REVENUES	Beginning Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	1000	Local Sources								
7		Property Tax & Fees-in-Lieu		0						
8		Student Fees		1,705				1,705		
9		Other		0						
10	Total Local Revenue			1,705	0	0	0	1,705	0	0
11	3000	State Sources								
12	Unrestricted	Unrestricted		0						
13	Restricted	Local Disc. Block Grant		0						
14		Social Security & Retirement		0						
15		Other		668,754	629,812			33,458		5,484
16	Total State Revenue			668,754	629,812	0	0	33,458	0	5,484
17	4000	Federal Sources								
18		Unrestricted		0						
19		Restricted		301,744		281,419			20,325	
20	Total Federal Revenue			301,744	0	281,419	0	0	20,325	0
21	TOTAL REVENUES and BEGINNING BALANCE			972,203	629,812	281,419	0	35,163	20,325	5,484
22	110	Gen. Dist. Administrative		0						
23	120	School Administrative		0						
24	130	Certificated Instructional		380,291	333,064	21,873		21,004		4,350
25	140	Other Certificated		6,937	6,937	0				
26	150	Office		10,000	10,000					
27	160	Paraprofessional		283,389	51,162	224,765			7,462	
28	170	Student Transportation		0						
29	180	Operation & Maintenance		0						
30	190	Other Classified		0						
31	Total Salaries			680,617	401,163	246,638	0	21,004	7,462	4,350
32	210	State Retirement		70,405	61,168	4,716		3,745		776
33	220	Social Security		52,068	30,689	18,868		1,607	571	333
34	230-290	Other Employee Benefits		129,287	110,419	11,197		7,601	45	25
35	Total Employee Benefits			251,760	202,276	34,781	0	12,953	616	1,134
36	300	Professional & Technical		17,619	6,596				11,023	
37	400	Property Services		0						
38	500	Other (Except Travel)		681	681					
39	580	Travel		620	500			40	80	
40	Total Purchased Services			18,920	7,777	0	0	40	11,103	0
41	610	Supplies		15,662	13,892			626	1,144	
42	620	Energy		126	126					
43	630	Food		380	324			56		
44	641	Textbooks		2,438	2,438					
45	644	Library Books		0						
46	650-660	Periodicals, AV Materials		0						
47	670	Computer Supplies		0						
48	680	Maintenance Supplies		0						
49	Total Supplies and Materials			18,606	16,780			682	1,144	0
50	710	Land & Improvements		0						

Schedule B:  
Special Education

CoverPageSummaryA-General EducationB-Special EducationC-Social PopulationsD-E-Quality Teaching

**Schedule B:  
Special Education**

	A	B	C	D	E	F	G	H	I	J
1	PROGRAM REPORT			TOTALS	REGULAR	IDEA - B	IDEA - D	PRE-SCHOOL	PRE-SCHOOL	Extended Year
2	School Year 2010-2011				DISTRICT	DISABLED	DISABLED	(STATE)	(FEDERAL)	Special
3					PROGRAMS	101-476	PERS. TRNG.			Educators
4	SPECIAL EDUCATION (B)			SCHEDULE B	1200-1295	7524	7526	1215	7422	* _ _ _ _ _
44	641	Textbooks		1,492		1,492				
45	644	Library Books		0						
46	650-660	Periodicals, AV Materials		0						
47	670	Computer Supplies		830	830					
48	680	Maintenance Supplies		0						
49	Total Supplies and Materials			64,581	830	27,809	0	35,942	0	0
50	710	Land & Improvements		0						
51	720	Buildings		0						
52	730	Equipment		368						
53	750	Media Materials		0						
54	780	Depreciation		0						
55	Total Property			368	0			0	0	0
56	810-820	Dues, Fees, Judgments		0						
57	830	Interest		0						
58	840	Redemption of Principal		0						
59	860	Indirect Costs - No restricted		79,370	66,328			13,042		
60	870	Indirect Costs - Restricted		17,676					989	
61	890	Miscellaneous Objects		0						
62	Total Other Objects			97,046	66,328	16,687	0	13,042	989	0
63	SUB-TOTAL EXPENDITURES			7,718,084	4,405,418	2,015,597	0	912,355	384,714	0
64	900	Other Financing Uses (Sources)		0						
65	TOTAL EXPENDITURES and OTHER USES (SOURCES)			7,718,084	4,405,418	2,015,597	0	912,355	384,714	0
66	SUBTOTAL (Revenues Minus Expenditures)			0	0	0	0	0	0	0
67	Program Balance			0	0	0	0	0	0	0
68	Check			0	0	0	0	0	0	0
69										

Add the subtotal expenditures for Regular District Programs and Pre-School (State)

	A	B	C	D	E	F	G	H	I	J
1	PROGRAM REPORT			TOTALS	REGULAR	IDEA - B	IDEA - D	PRE-SCHOOL	PRE-SCHOOL	Extended Year
2	School Year 2010-2011				DISTRICT	DISABLED	DISABLED	(STATE)	(FEDERAL)	Special
3					PROGRAMS	101-476	PERS. TRNG.			Educators
4	SPECIAL EDUCATION (B)			SCHEDULE B	1200-1295	7524	7526	1215	7422	* _ _ _ _
5	REVENUES	Beginning Balance		\$52,559	\$52,559	\$0	\$0	\$0	\$0	\$0
6	1000	Local Sources								
7		Property Tax & Fees-in-Lieu		0						
8		Student Fees		20,760				20,760		
9		Other		858,615	354,589			239,585	264,441	
10	Total Local Revenue			879,375	354,589	0	0	260,345	264,441	0
11	3000	State Sources								
12	Unrestricted	Unrestricted		0						
13	Restricted	Local Disc. Block Grant		0						
14		Social Security & Retirement		0						
15		Other		4,650,280	3,998,270			652,010		
16	Total State Revenue			4,650,280	3,998,270			652,010	0	0
17	4000	Federal Sources								
18		Unrestricted		0						
19		Restricted		2,135,870					120,273	
20	Total Federal Revenue			2,135,870	0			0	120,273	0
21	TOTAL REVENUES and BEGINNING BALANCE			7,718,084	4,405,418			912,355	384,714	0
22	110	Gen. Dist. Administrative		72,194	72,194					
23	120	School Administrative		0						
24	130	Certificated Instructional		3,041,444	2,517,502	57		523,885		
25	140	Other District Programs		858,615	858,615	101,476				

Add the Total Local Revenue from Regular District Programs and Pre-School (State)

# Managing MOE

- Alternate among 4 calculation methods
  - State & local total
  - State & local per pupil
  - Local only
  - Local per pupil
- Use 5 exceptions when applicable
- Use 50% adjustment when applicable

# Exceptions to MOE

- Termination (voluntary or for cause) of special education or related services staff
- Reduction in SPED enrollment
- Termination of the requirement for FAPE because the student moved, exited, or aged out
- Completion of a long term project such as construction
- Services for a costly student are assumed by the high cost risk pool



# MOE Adjustment

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- Receive more IDEA funds than the previous year
- May reduce by up to 50% of the increase
- Unless using funds for CEIS

# Excess Costs

# Principles

- Special education costs more
- State and local resources must be used to support special education costs
- Students with disabilities receive general education first
- Federal funds are intended as a supplement

# IDEA Requirements

- Each LEA is required to spend at least a minimum average amount for the education of students with disabilities before IDEA funds may be used
- Each LEA is required to demonstrate that this minimum amount was actually spent
- Calculate excess costs annually to show eligibility for funds

# Elementary/Secondary Allocations

1. Assign by school code wherever possible
2. Costs not directly attributed to schools (multi-school or district level expenditures) are apportioned based on total LEA student population in elementary and secondary schools

Letter to Plagata-Neubauer. April 8, 2008

# Calculating the Minimum

- Prior year (2012-2013) total expenditure
- Minus capital outlay and debt service
- Minus certain other federal, state, and local funds
- Divide by prior year total Average Daily Membership (ADM) including students with disabilities
- Multiply by current year (2013-2014) December 1 count of students with disabilities

# Excess Costs Worksheet

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- <http://www.schools.utah.gov/sars/Finance/Fiscal-Monitoring.aspx>

# Fiscal Monitoring



# FICAM System



Risk

Sample

Universal

# Universal Monitoring

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- Review of audits submitted by each LEA
- Review of AFR and APR
- Self-Assessment Checklists
- Application for funding

# Sample Monitoring

- Targets areas of risk
  - Audit review
  - Onsite visits
  - Concerns brought to USOE
  - Requirements of EDGAR and OMB
- Aligned with UCA or UPIPS
- Requires additional documentation within 30 days of request

# Risk Monitoring

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- Results from limited compliance at universal and sample levels
- Rubric establishes risk for each LEA
  - Completed annually by USOE staff
  - Rubric available to LEA but not public

# Risk Procedures

- Vary based on area(s) and level of risk
- Additional evidence of expenditure required
- Interview with LEA personnel
- Audit visit
- On-Site visit
- Review of general ledger
- Review of bid, quote, or RFP procedures
- Review of overall fiscal management
- Review of vendor eligibility

# Findings of Noncompliance

- LEAs have the opportunity to correct fiscal records within 30 days before a finding is issued
- Findings require correction asap, no later than 1 year
  - Prong 1 – fix the mistake
  - Prong 2 – fix the system
- Failure to correct results in corrective action

# Corrective Action

- Finding of Noncompliance issued
- USOE Associate Superintendent informed
- LEA administration informed
  - Superintendent or Charter Director
  - Business Administrator
  - LEA board chairperson
- Improvement plan developed by LEA
  - Outlines areas of noncompliance
  - Establishes timeframe for correction
- Review of progress on improvement plan

# Continued Noncompliance

- Inform USOE Internal Auditor and State Superintendent
- Investigation by USBE audit committee
- USBE will determine if and what level of funds will be withheld or terminated



# Questions?

- For more information about Special Education funding or the fiscal monitoring process, contact Jennifer Howell
  - [jennifer.howell@schools.utah.gov](mailto:jennifer.howell@schools.utah.gov)
  - 801-538-7724